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Lucia A Keegan 02/14/2007 09:41:22 AM From DB/Inbox: Lucia A Keegan

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ACTION: ECON
INFO: DCM FAA ENGO SCIO POL ORA AMB AGR LABO TRDO
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DISSEMINATION: ECONOUT /1

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APPROVED: ECON:TJWHITE

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STATE FOR EB/TRA, EUR/WE, EUR/PGI, OES/EGC

E.O. 12958: N/A

TAGS: [FAIR](#) [ECON](#) [SENV](#) [EUN](#) [FR](#)

SUBJECT: FRANCE DEFENDS AVIATION EMISSIONS TRADING; WILLING
TO WORK WITH U.S. AND ICAO ON INTERNATIONAL SOLUTION

REF: STATE 4858

¶1. (SBU) Econoff discussed reftel points on the EU's proposed aviation emissions trading scheme (ETS) January 26 with Jean-Michel Bour, Civil Aviation Authority Director of International and Multilateral Relations, and February 7 with Olivier Berthelot, Advisor for Aviation to the Minister of Transport. Both strongly defended the EU's ETS proposal as an economically efficient approach to managing carbon emissions, which Berthelot pointed out had been tabled by the French in 2005 as a way to avoid the adoption of economically harmful taxes on emissions at the EU level. He conceded that DG Environment had gone beyond the original French idea, which envisaged only a regional approach within the EU. For his part, Bour regretted that with respect to international carriers, the Commission had adopted a "unilateral" approach that it had so often deplored in others.

¶2. (SBU) Both officials also made the point however that the Commission directive was still a draft, and that it should be seen as complementary to ICAO efforts on aviation emissions. Further modification of it was likely as it made its way through the legislative process. Bour characterized it as a broad mandate with many details yet to be determined, and urged the U.S. to work with "moderate countries" (such as France) in the context of ICAO discussions to reach an acceptable solution. Berthelot too underlined the Ministry's view that the Commission's project would eventually need to be harmonized with an ICAO approach. Bour said that the one year delay was "only a proposition," that could be modified if international agreement on aviation emmissions control was reached. He went so far as to suggest that 2012 was chosen

by the Commission to coincide with the expiration of the Kyoto accord, and saw it as recognition that any eventual regime applied to aviation would also be a part of, or strongly influenced by, negotiations on a successor agreement to Kyoto.

¶3. (SBU) Bour and Berthelot also argued that the ETS would play a valuable role as a regional pilot program, and Bour added that it was complementary in that sense to U.S. efforts to reduce emissions by modernizing Air Traffic Control systems. Both made mention of differences of opinion between the MOT and Ministry of Ecology on the issue, particularly regarding application to international flights.

¶4. (SBU) In a February 5 conversation with ECMIN, Guy Tardieu, Chief of Staff to Air France CEO Jean-Cyril Spinetta, said that Air France favors a rational ETS regime. CEO Spinetta is expected to hold a press conference the week of February 19 to focus on the airline's "green" agenda and will speak in favor of ETS. Tardieu described the commercial airline industry as the "oil consumer of last resort," since alternative energy sources (nuclear, wind, etc.) are ill-suited for aviation. He admitted that Air France is relatively well-placed in comparison with its main competition, having a relatively fuel-efficient fleet and ambitious modernization plans.

¶5. (SBU) Post has also circulated reftel points to contacts in the Ministry of Foreign Affairs, and Ministry of Ecology and Sustainable Development, but has not yet received a substantive response.

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